

Foreword

The Department of Housing and Community Affairs, Licensing and Registration Unit, annually conducts a survey of all multifamily rental facilities in Montgomery County with twelve or more rental units. The survey requests information about the number of vacant units on the first of April each year and turnover rental rates, which are rents offered to prospective tenants for vacant units.

This report is based on vacancy and turnover rents as of April 1, 2006 as reported by 403 rental facilities with 68,399 units. Facilities included are those located within Montgomery County's unincorporated areas as well as within the municipalities of Rockville, Gaithersburg and Takoma Park. The data represents 91.2 percent of the approximately 75,000 total multifamily units in the county.

The data shows a tightening housing market countywide with a vacancy rate of 3.9 percent, compared to a vacancy rate of 4.6 percent in 2005. Conversion of rental properties to condominium units is underway for about 4,800 units. To date, few of these properties have gone through the process, but we expect over the coming year that this process will tighten the market further.

The average countywide turnover rent is now \$1,212, an increase of 3.9 percentage points from 2005. This change is well above the 1.1 percent increase of 2005, but below the County Executive's Voluntary Rent Guideline of 4.4 per cent.

The report focuses on market rate rental units. However, some charts include data relating to subsidized units. The definition of a subsidized unit includes below market rate units found in market rate rental facilities as well as units located in subsidized buildings. Charts labeled "Market Rate and Subsidized" contain data for all units. Vacancy and turnover rent data is presented countywide and by market area. Historical survey results are included, as available, to illustrate year-to-year changes since 2002.

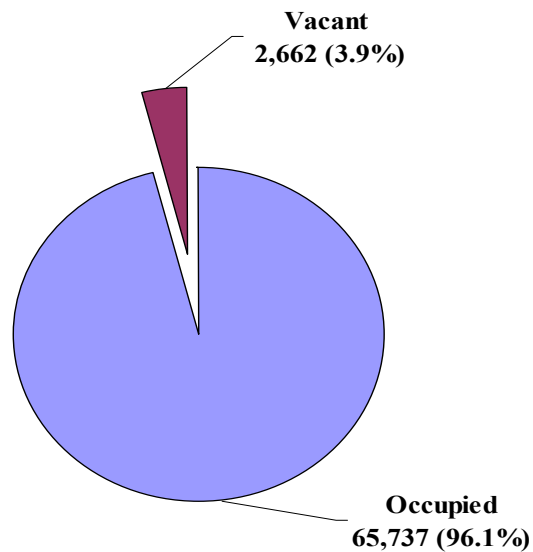
We trust that you will find this report informative. If you have any questions, please contact the Licensing and Registration Unit staff at 240-777-3799.

Elizabeth B. Davison, Director
Department of Housing and Community Affairs

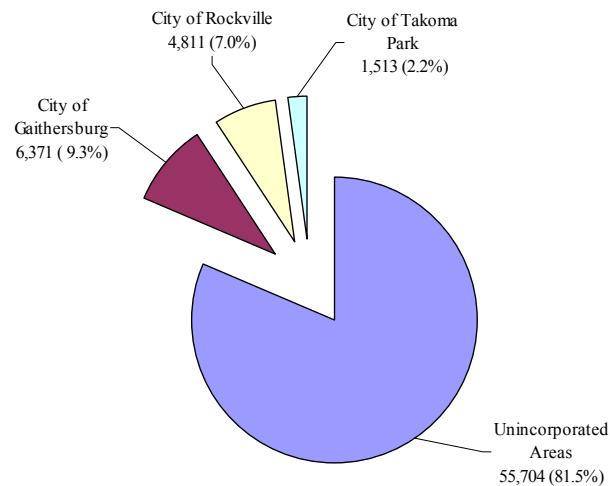
Summary of Units Included in Report

Surveys were mailed to 436 rental facilities with 12 or more rental units located within Montgomery County. Responses were received from 403 facilities. These facilities comprise 68,399 units, over 91 percent of the total number of multi-family rental units in Montgomery County.

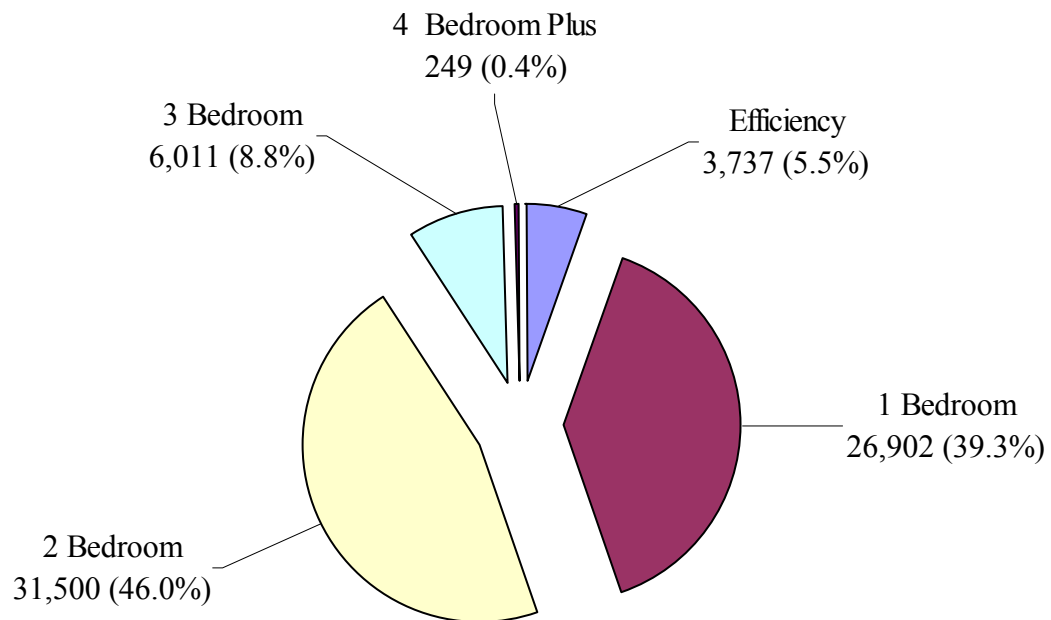
68,399 Market Rate and Subsidized Rental Units



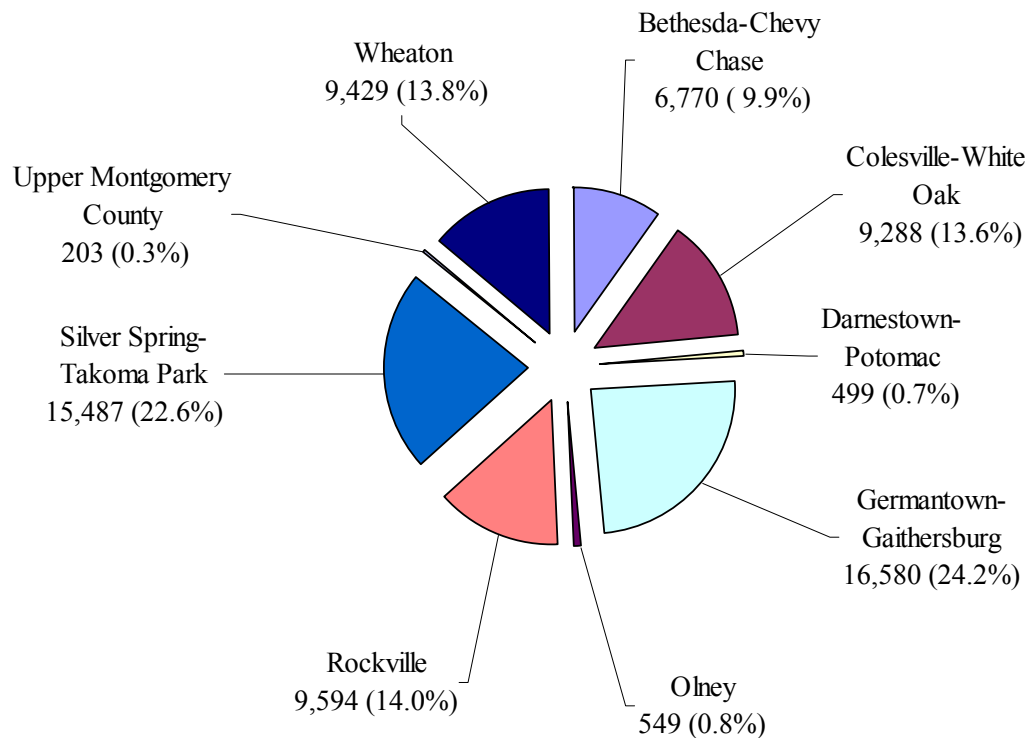
Distribution of Units By Jurisdiction



Distribution of Units By Size



Distribution of Units by Market Area



Distribution of Units By Structure Type

